

# JOHCM Continental European Fund

## Fund overview

- The Fund aims to generate long-term capital growth through active management of a portfolio of European (excluding UK) equities
- Senior Fund Manager Paul Wild employs a pragmatic investment process that combines top-down economic and sector views with bottom-up stock picking
- A core investment style with a focus on European large and mid-cap stocks
- SFDR classification: Article 8. Please click [here](#) for further details
- Benchmark: MSCI Europe ex UK Index
- The use of the Index does not limit the investment decisions of the fund manager therefore the shareholdings of the Fund may differ significantly from those of the Index
- Please refer to the Prospectus/KID for further information

Share class: A GBP

ISIN: IE0033009121

## Fund details

Fund size	GBP 521.06m
Launch date	5 November 2001
Benchmark***	MSCI Europe ex UK NR Index (12pm adjusted)
No. of holdings	39
Domicile	Ireland
Fund structure	UCITS
Tax status	UK reporting status
Denominations	GBP, EUR, USD
Valuation point	12pm Dublin time
SFDR	Article 8

## Fund managers



### Paul Wild

Senior Fund Manager

Paul has managed the Fund since 2010. He joined JOHCM in 2003 and has 27 years of industry experience.



### Justin MacGregor

Senior Analyst

Justin has worked on the Fund since 2021. He joined JOHCM in 2015 and has 18 years of industry experience.

## Performance highlights

### Return since launch (%)



## Return history

	1m	3m	1yr	3yr	5yr	10yr	SL	Annualised*
A GBP	1.62	-1.87	14.16	19.80	54.95	137.89	725.54	9.68
Benchmark	1.39	0.18	14.36	16.01	46.05	121.75	411.95	7.41
Quartile**	2	4	2	1	1	2	1	-

## Discrete 12 month performance to end of August

	08.24	08.23	08.22	08.21	08.20	08.19	08.18	08.17	08.16	08.15
A GBP	14.16	18.11	-11.15	25.20	3.31	0.29	1.98	20.42	15.46	7.97

### Past performance is no guarantee of future performance.

The value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested. For further information on risks please refer to the Fund's KID and/or the Prospectus.

\*Annualised since launch. \*\*Refers to the fund's ranking in a peer group of funds made up from all funds classified as Europe ex UK, by either the Investment Association (IA) or Lipper Global. Funds included may be domiciled in the UK, Ireland, or Luxembourg.

NAV of Share Class A in GBP, net income reinvested, net of fees. The A GBP Class was launched on 7 May 2003. During the period 5 November 2001 to 7 May 2003 the performance record is based on the pre-existing share class that had a higher management fee. \*\*\*Benchmark: MSCI Europe ex UK NR Index (12pm adjusted). During the period 7 May 2003 to 31 December 2012 the Fund was benchmarked against the FTSE Eurofirst 300 TR Index. For the period 1 January 2013 to present the Fund is benchmarked against the MSCI Europe ex UK NR Index (12pm adjusted). Performance of other share classes may vary and is available on request.

## Contact details

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## Portfolio analysis (%)

Data as at 31 August 2024

### Top 10 holdings

	Absolute	Relative
Novo-Nordisk	7.8	2.7
Deutsche Telekom	6.5	5.4
AXA	5.1	4.3
ASML	4.8	0.7
Veolia	4.3	4.1
Schneider Electric	3.9	2.3
AstraZeneca	3.8	3.8
Saint-Gobain	3.6	3.2
Vonovia	3.6	3.3
CRH	3.6	3.6
<b>Total</b>	<b>47.0</b>	

### Sector breakdown

	Absolute	Relative
Communication Services	9.1	5.7
Industrials	22.7	5.1
Real Estate	5.1	4.2
Utilities	7.2	3.3
Information Technology	9.0	-0.6
Consumer Staples	6.9	-1.8
Materials	3.6	-2.2
Energy	0.0	-3.0
Health Care	14.8	-3.1
Financials	12.1	-6.4
Consumer Discretionary	4.3	-6.5
Cash	5.2	5.2

### Country breakdown

	Absolute	Relative
France	29.2	7.0
Germany	18.9	1.6
Denmark	11.8	4.4
Netherlands	10.8	1.1
Sweden	6.0	-0.5
Switzerland	4.6	-15.2
Italy	4.3	-1.2
Spain	4.0	-1.3
Ireland	1.7	1.1
Other	3.6	-2.2
Cash	5.2	5.2

### Market cap breakdown

	Absolute	Relative
Large (>EUR 5bn)	89.9	-9.9
Mid (EUR <5bn)	3.5	3.2
Small (EUR <2bn)	1.5	1.5
Cash	5.2	5.2

## Attribution & contribution (%)

### Stock attribution

Top contributors	Relative return
AstraZeneca	0.27
Vonovia	0.25
Deutsche Telekom	0.23
AXA	0.12
Inditex	0.11
Top detractors	
Carlsberg	-0.17
DSV	-0.11
Heineken	-0.10
ASML	-0.10
Ferrari	-0.10

### Sector attribution\*

	Relative return
Health Care	0.32
Real Estate	0.24
Communication Services	0.23
Financials	0.09
Energy	0.08
Industrials	0.03
Materials	0.02
Utilities	-0.01
Consumer Discretionary	-0.02
Information Technology	-0.18
Consumer Staples	-0.32

\*Excludes cash

Please note that due to rounding breakdowns may not add to 100.00%. All Attribution figures are as at end of day and are calculated on a gross basis. Other includes: Austria, Belgium, Finland, Norway, Portugal and non-benchmark countries.



## Fund manager's commentary

- August's volatility saw the VIX's fastest 25-point spike and retracement, yet the MSCI Europe ex-UK index more than recovered from the early month sell-off
- Weak US payrolls, rising unemployment, and a weaker ISM reading stoked hard landing fears
- Despite volatility, the fund outperformed, driven by stock picking in health care, and we added to industrials, utilities, and real estate sectors

August contained a dramatic explosion of volatility. The VIX saw the fastest-ever 25-point spike and consequently the fastest retracement from the spike. Despite the sharp early month sell-off, the MSCI Europe ex-UK index closed higher by the end of the month. The combination of a weak US July payroll report at 114k, unemployment rising to 4.3%, and a weaker ISM reading led to fears of a hard landing. Whilst the Nikkei saw a one-day drop of 12%, there was a great deal of focus on the unwinding of the yen-funded carry trade and the knock-on impact on declines in US tech stocks. Dramatic declines in bond yields and a steepening of the 2s 10s curve thereafter stoked recessionary fears, with a focus on the Sahm rule whereby recessions have started when the three-month moving average in the US unemployment rate is at least half a point higher than the twelve-month low. At Jackson Hole, Chair Powell was perceived to indicate quite clearly that rates are about to be cut, given greater risks to the labour market and falling inflation; debate continues as to whether September will feature a 50bps cut. US data at the end of August, such as retail sales, offered more evidence of a softer landing scenario, but rate markets have moved to pricing over 200bps of rate cuts over the next year and some 160bps by the ECB. In Europe, wage data offered some support, with negotiated wage growth slowing to 3.6% in Q2, the flash estimate of inflation fell to 2.2% in August, whilst the composite PMI rose by 1 point to 51.2 despite a marginally weaker Manufacturing reading.

Despite the volatility during the month, the fund saw a small outperformance of the benchmark. Stock picking contributed positively, particularly in health care, with a strong performance from AstraZeneca. A number of stocks strongly correlated with declining yields performed well, not least Vonovia and Deutsche Telekom. The intra-month volatility presented some opportunities to add to stocks such as Schneider and Prysmian, which subsequently saw sharp recoveries in share prices. We took a new position in E.ON, where there will be significant growth in its regulated asset base in the coming years. In part this is to facilitate Germany's path towards greater energy security via renewables requiring substantial investments in electricity networks. At the sector level, we further added to industrials, utilities, and real estate whilst reducing materials and technology.

Performance over 1 month	%
Fund - A GBP	1.62
Benchmark	1.39

## Statistics

	Annualised since launch
Active share* (%)	73.84
Fund volatility (%)	17.11
Benchmark volatility (%)	17.01
Alpha	1.79
R squared	0.95
Correlation	0.98
Tracking error (%)	3.74
Information ratio	0.46
Sharpe ratio	0.55

Data calculated weekly.

During the period 7 May 2003 to 31 December 2012 the Fund was benchmarked against the FTSE Eurofirst 300 TR Index. For the period 1 January 2013 to present the Fund is benchmarked against the MSCI Europe ex UK NR Index (12pm adjusted).

## Fund awards & ratings



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## Country registration

	A GBP	A GBP Hedged	B GBP	A EUR	B EUR	A USD Hedged	B USD Hedged
Austria	✓	✗	✓	✓	✓	✓	✓
France	✓	✗	✓	✓	✓	✓	✓
Germany	✓	✗	✓	✓	✓	✓	✓
Ireland	✓	✓	✓	✓	✓	✓	✓
Jersey	✓	✓	✓	✓	✓	✓	✓
Luxembourg	✓	✗	✓	✓	✓	✓	✓
Malta	✗	✗	✓	✗	✓	✗	✓
Netherlands	✓	✗	✓	✓	✓	✓	✓
Singapore	✓	✓	✓	✓	✓	✓	✓
Spain	✓	✓	✓	✓	✓	✓	✓
Sweden	✓	✗	✓	✓	✓	✓	✓
Switzerland	✓	✓	✓	✓	✓	✓	✓
UK	✓	✓	✓	✓	✓	✓	✓

## Swiss representative and paying agent

Copies of the fund's current prospectus, key investor information document (KID) and financial statements can be obtained free of charge from the Swiss Representative, 1741 Fund Solutions Ltd., Burggraben 16, 9000 St. Gallen, Switzerland.

## Share class details (Further details on additional share classes are available on request)

	ISIN	SEDOL	Bloomberg	WKN	Initial charge	Annual charge	Ongoing charge	Minimum investment*
A GBP	IE0033009121	3300912	JHCMUSI ID	A0BLYM	Up to 5%	0.75%	0.83%	£1,000
A GBP Hedged	IE00BSJCJ493	BSJCJ49	JHCEAGH ID	A12FYF	Up to 5%	0.75%	0.83%	£1,000
B GBP	IE0031005436	3100543	JHCMUER ID	768893	Up to 5%	1.25%	1.33%	£1,000

**Performance fee:** A performance fee of 15% is payable on the excess if the NAV outperforms the Index Adjusted NAV (as defined in the Fund supplement) on an annual basis. The calculation is performed daily. Any underperformance is carried forward. Ongoing Charge is as at 30 August 2024.

\*Other currency equivalents apply.

## Important information

### Professional investors only.

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This is a marketing communication. Please refer to the fund prospectus and to the KIID / KID before making any final investment decisions.

These documents are available in English at [www.johcm.com](http://www.johcm.com), and available from PISEL, or (for UK investors) JOHCM, at the addresses set out above.

Information on the rights of investors can be found [here](#)

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Investments include shares in small cap companies and these tend to be traded less frequently and in lower volumes than larger companies making them potentially less liquid and more volatile.

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